OFFICE OF PUBLIC ACCOUNTABILITY **PROCUREMENT APPEALS**

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BEFORE THE PUBLIC AUDITOR

PROCUREMENT APPEALS

IN THE APPEAL OF: DOCKET NO. OPA-PA-19-001 JJ GLOBAL SERVICES,

Appellant,

and

GUAM VISITORS BUREAU,

Purchasing Agency.

MOTION FOR INJUNCTIVE RELIEF AND STAY OF PROCUREMENT PENDING FINAL RESOLUTION OF APPEAL AND FOR ORDER REQUIRING THE GUAM VISITORS BUREAU TO ISSUE A FINAL DECISION ON PROTEST 2

INTRODUCTION

Appellant JJ Global Services ("JJ Global" or "Appellant"), by Appellant's undersigned attorney, moves the Office of Public Accountability (OPA) for a temporary restraining order restraining and enjoining the Procuring Agency—the Guam Visitors Bureau ("GVB") - from progressing forward with contract performance of GVB IFB No. 2018-001, pending final resolution of this appeal.

Unless this motion is granted, JJ Global will suffer immediate and irreparable injury, loss, and damage. JJ Global was the lowest bidder. Nevertheless, GVB disregarded JJ Global's lowest bid by making a bogus determination that JJ Global was non-responsible. GVB then circumvented the automatic stay requirements of 5 G.C.A. § 5425(g) by delaying in providing JJ Global with the Notice of Non-Responsibility almost a week after the contract was awarded to a competing bidder

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 Further, serious issues discovered with the procurement record justify have given rise to a second protest. JJ Global has filed a second protest. (*See* Protest 2, Dec. 27, 2018). JJ Global timely filed Protest 2 on December 27, 2018, 41 days ago, and now seek an Order from the OPA requiring GVB to issue a final decision on Protest 2 forthwith. In the event that GVB denies JJ Global's Protest 2, JJ Global will appeal the denial of Protest 2. The Procurement Appeals Rules are intended to be "construed and applied to provide for the expeditious resolution of controversies in accordance with the requirement of 5 GCA Chapter 5 (Guam Procurement Law) and the Guam Procurement Regulations[.]" *See*, 2 G.A.R. § 12101. For purposes of efficiency and judicial economy, JJ Global requests that upon filing of JJ Global's Protest 2 Appeal, that JJ Global's Protest 1 Appeal be consolidated with the Protest 2 Appeal to address all issues in this Procurement - GVB IFB No. 2018-001.

The integrity of Guam's procurement process demands the injunctive relief of a stay and an expeditious resolution of both protests related to this procurement.

II. BACKGROUND

A. GVB Issues the IFB.

On July 23, 2018, GVB announced an invitation for bid regarding the Tumon Landscape Maintenance project. (*See* GVB IFB No. 2018-001, Jul. 23, 2018). (Procurement Record, p.2, Jan. 11, 2019.) The bid encompassed furnishing of all necessary labor, materials, equipment, tools and services for the Tumon Landscape Maintenance project. The same was announced by publication on the local section of the Post. (Procurement Record, p.54, Jan. 11, 2019). On August 3, 2018, GVB released Addendum No. 1 amending the due date for bids from August 15, 2018 to August 20, 2018, among other changes. (*See* Addendum No. 1, Aug. 3, 2019). (Procurement Record, p. 105, Jan. 11, 2019).

On August 20, 2018, JJ Global submitted their bid for \$197,258.76. (*See* JJ Global Services IFB Proposal, Aug. 20, 2018). (Procurement Record, p.122, Jan. 11, 2019). On August 20, 2018, the opening of the bid submissions was held at the GVB Main Conference Room with the Appellant having the lowest bid among the other competing companies: Landscape

 Management Services Inc. ("LMS") and Canton Construction. (Procurement Record, p.135, Jan. 11, 2019).

B. GVB's Delayed and Omitted Communications with JJ Global.

On August 30, 2018, a Bid Analysis and Administrative Review was received by Jon Denight from Antonio S. Muña, Jr. citing discrepancies of all bidder submissions to include additional information and clarification on issues for JJ Global. (Procurement Record, p.132, Jan. 11, 2019). On November 1, 2017, LMS received the Notice of Award for GVB IFB 2018-001. (Procurement Record, p.137, Jan. 11, 2018). The notice was served to LMS days before GVB had informed JJ Global of their disqualification due to non-responsibility. On November 7, 2018, JJ Global received GVB's Notice for Non-responsibility dated October 31, 2018. (See Notice of Non-Responsibility, Oct. 31, 2018). (Procurement Record, p.175, Jan. 11, 2019). The acknowledgement receipt clearly reflected a receipt date of November 7, 2018 at 4:11 p.m. by Ms. Rose Meno. Seven (7) days had elapsed before the notice was served to JJ Global. GVB did not include any supporting documents regarding their communication with previous agencies referenced in JJ Global's proposal such as memorandums or emails. Neither did GVB provide the names of any individuals that communicated with GVB regards to JJ Global's past performance.

C. JJ Global's Protest and Appeal

On November 19, 2018, JJ Global served GVB with a procurement protest alleging improper determination for non-responsibility and a biased procurement process. (*See* Procurement Protest, Nov. 19, 2018). On December 18, 2018, JJ Global received a response from GVB stating that it awarded the contract to another bidder prior to receiving the protest and rejecting all merits provided by JJ Global in its protest. (*See* GVB's Response to Protest, Dec. 18, 2018). On January 2, 2019, JJ Global filed its appeal with the Office of the Public Accountability requesting relief. (*See* Notice of Procurement Appeal, Jan. 2, 2019).

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D. JJ Global's Second Protest

On November 19, 2018, JJ Global requested that GVB provide the Procurement Record regarding the IFB under the Sunshine Reform Act of 1999. On December 14, 2018, GVB provided the documents requested. JJ Global's review of the procurement record revealed that interested party LMS was non-responsive in bid submission due to its failure to provide wage determination information as required by section II(5) of the IFB package. Furthermore, the Procurement Record failed to meet the standards of 5 G.C.A. §5249 regarding accuracy and completeness. The record contained no formal written determination of non-responsibility as required by law, and the record appears to be completely devoid of log of all communication with GVB about the status of its lowest bid. Finally, the record reflected no GVB Board Minutes or resolutions that authorized entering into a contract with LMS or authorize entering into a contract with the more expensive contractor. All of this information was only disclosed to JJ Global on December 14, 2018, after the fact and only due to the response to the Sunshine Act request. JJ Global filed its second procurement protest on December 27, 2018. GVB has yet to issue a decision on JJ Global's second protest

III. LEGAL ARGUMENT

A. MOTION FOR INJUNCTIVE RELIEF AND STAY OF PROCURMENT

The Procurement should be stayed pending final resolution of this appeal. The Public Auditor has the power to promote the integrity of the procurement process and the purposes of Guam's procurement laws. See 5 GCA §5703 ("The Public Auditor's jurisdiction shall be utilized to promote the integrity of the procurement process and the purposes of 5 GCA Chapter 5."). The Public Auditor has the power to review and determine "any matter properly submitted" to her. 5 GCA § 5703, and reviews de novo denials of protests in connection with the solicitation or award or award of a contract. See 5 GCA § 5425(e). Further, in the regime of procurement, the OPA holds powers akin to a court, since Guam law allows procurement matters brought before a court to be, without limitation, remanded to the OPA. See 2 GAR § 12103(b).

The power of the OPA has been determined by the Guam Legislature to be as broad as is necessary. As mentioned above, Guam law provides that "[t]he Public Auditor's jurisdiction shall be utilized to promote the integrity of the procurement process and the purposes of 5 GCA Chapter 5." 5 GCA §5703. Moreover, the OPA's regulations provide that the hearing officers appointed by the OPA have the power "power, among others, to (d) Rule on motions, and other procedural items on matters pending before such officer." 2 GAR §12109. The OPA is also specifically tasked with reviewing Agency determinations to lift the statutory stay imposed by Guam law. Title 2 GAR § 12501(b) mandates that the "Public Auditor shall review and confirm or reject any determination by the Chief Procurement Officer or the Director of Public Works that award of a contract without delay pending Appeal is necessary to protect the interests of the government." 2 GAR §12501(b).

The OPA also has the power to order an agency to take certain action vis a vis a procurement. The OPA routinely orders agencies to take certain action or cancel certain action with regard to specific procurements. See In the Appeal of Town House Department Stores, Inc., dba Island Business Systems and Supplies OPA-PA-08-012, Decision at pp 9-10 (Feb. 10, 2009). (Ordering GSA to cancel a multi-step bid). In a prior appeal, In the Appeal of Town House Department Stores, Inc., dba Island Business Systems and Supplies OPA-PA -08-003, Decision (July 11, 2008), the Public Auditor determined that while she lacked jurisdiction over the appeal to consider the merits of the protest because there was not yet an agency decision, she did have the power and the jurisdiction under Guam law to compel an agency to render a decision on a protest. In other words, the OPA can order Government of Guam agencies to take action and—as JJ Global is requesting here—cease further action regarding procurement.

In order for a preliminary injunction to be granted, the movant must show: "(1) irreparable injury and (2) likelihood of success on the merits." *HongKong & Shanghai Banking Corp.*, 2005 Guam 13 ¶ 18. More specifically, the movant must demonstrate either: "a combination of probable success on the merits and the possibility of irreparable harm; or ... that serious questions are raised and the balance of hardships tips in its favor." *A & M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1013 (9th Cir.2001).

1. JJ Global will be Irreparably Injured if GVB and is not Enjoined from Moving Forward with Contract Performance.

Guam law provides that if Appellant is successful in its protest, it "shall be entitled to the reasonable costs incurred in connection with the solicitation and protest, including bid preparation costs, excluding attorney's fees...." 5 GCA §5425(h). GVB's pushing forward with the procurement award and performance of LMS hampers any remedy JJ Global may have to become an awardee of the IFB, since the Territory may be able to merely ratify and affirm LMS's contract regardless of the outcome of the instant appeal. 5 GCA § 5425(g)(1); (2). As more work is performed by LMS, Appellant becomes less and less likely of having a meaningful outcome to its appeal.

Since JJ Global may not recover anticipated profits if the stay is not honored and its protest appeal is sustained by the OPA, JJ Global will be irreparably injured. Irreparable injury is defined as injury for which there is no adequate remedy at law. *Shin v. Fujita Kanko Guam, Inc.*, CVA 07-002, 2007 WL 4348300 (Guam Dec. 6, 2007); *Reilly's Wholesale Produce v. United States*, 73 Fed. Cl. 705, 716-17 (Fed. Cl. 2006). The Federal Claims court has held that where an aggrieved offeror can only gain the costs of bid preparation in a suit for damages, and not anticipated profits, such a bid protester is irreparably harmed. *See Bannum, Inc. v. United States*, 60 Fed. Cl. 718, 730 (Fed. Cl. 2004) *citing Essex Electro Eng'rs, Inc. v. United States*, 3 Cl.Ct. 277, 287 (1983), aff'd, 757 F.2d 247 (Fed.Cir.1985). This is the exact situation faced by JJ Global, and necessitates the injunctive relief of a stay.

2. JJ Global Will Likely Succeed on the Merits.

JJ Global's November 19 Protest—the protest that is the focus of the instant appeal—was brought because GVB improperly determined that JJ Global was Non-Responsible. This determination was not factually supported and nor made in good faith. Although GVB's Agency Report alleges they "received reliable information that JJ Global did not perform a contract..." (Agency Report, p.81, Jan. 17, 2019). The Procurement Record is devoid of any factual support for GVB's Notice of Non-Responsibility to JJ Global. As there is absolutely no basis for GVB's

determination of non-responsibility in the procurement record, JJ Global is extremely likely to succeed on the merits.

B. THE PUBLIC AUDITOR SHOULD ORDER GVB TO ISSUE A FINAL AGENCY DECISION ON PROTEST 2.

The authority of the Public Auditor to promote the integrity of the procurement process is broad and virtually unfettered. The Public Auditor, as arbiter of procurement appeals is empowered to "promote the integrity of the procurement process and the purposes 5 GCA Chapter 5 [Guam's Procurement laws]." See, 5 GCA § 5703. As the Public Auditor, he has the power to review and determine "any matter properly submitted" to him and reviews de novo, denials of protest in connection with the solicitation or award, or an award of a contract. See, 5 G.C.A. § 5703 & 5 G.C.A. § 5425(e). The Guam Legislature intended these powers of the OPA to be construed broadly when it established the Public Auditor's jurisdiction as follows: "[t]he Public Auditor's jurisdiction shall be utilized to promote the integrity of the procurement process and the purposes of 5 G.C.A. Chapter 5." 5 G.C.A. § 5703. The broad interpretation of these powers are bolstered by the procurement regulations which provide that hearing officers appointed by the Public Auditor have "power, among others, to ... Rule on motions, and other procedural items on matters pending before such officer." 2 G.A.R. § 12109.

The Public Auditor is also specifically charged with reviewing Agency decision and actions involving the automatic stay imposed by Guam Law. Title 2 GAR § 12501(b) expressly states the "Public Auditor *shall* review and confirm or reject any determination by the Chief Procurement Officer or the Director of Public Works that award of a contract without delay pending Appeal is necessary to protect the interest of the government." 2 G.A.R. § 12501(b)(emphasis added).

JJ Global requests that the Public Auditor order GVB to render a decision on Protest 2 so that all protest matters related to the GVB IFB No. 2018-001 can be timely and efficiently resolved by the OPA. The Procurement Law is also clear in that the Public Auditor has the power to order an Agency to issue a final decision on a protest. See, In the Appeal of Town House

Department Stores, Inc. dba Island Business Systems and Supplies, OPA-PA-08-003, Decision and Order, July 14, 2008. (Public auditor ordered Agency to render a protest decision...).

III. CONCLUSION

JJ Global will be irreparably injured if GVB continues to move forward with contract performance, and this irreparable injury will come despite the likelihood that JJ Global will prevail on the merits of its appeal. The OPA should preserve the integrity of the procurement process and enjoin any further contract performance by GVB and LMS until JJ GLOBAL 's Protest 1 and 2 are finally resolved.

Submitted this 6th day of February, 2019.

By:

VANESSA L. WILLIAMS, ESQ. Attorney for JJ Global Services